

IEDC

Quarterly

First Quarter 2008

Historic Property Tax Reform Capped 2008 Indiana Legislative Session

Governor Mitch Daniels joined with legislative leaders last month to sign the property tax reform bill into law – a historic win for Hoosier taxpayers and a capstone to the 2008 Indiana General Assembly session.

The sweeping bipartisan plan will provide property tax relief and permanent protection against future property tax increases. The plan will cut property taxes significantly, and caps on future growth will provide permanent protection for homeowners and businesses. When caps are fully in place, the plan delivers \$1.72 in tax cuts for each \$1 of revenue raised by a one-cent sales tax increase.

The act will give Hoosiers some of the lowest property taxes in the country – in the bottom 10 states – and among the very strongest protections against future tax increases.

“This is a huge step toward making Indiana the best place in America to own a home or business,” Governor Daniels said in signing the act.

Under the act, Hoosiers this year will receive an average property tax cut of more than 30 percent; a total of \$870 million in relief will be provided. Beginning in 2010, homeowner property taxes will be capped at 1 percent of a home’s assessed value, apartments and agriculture land will be capped at 2 percent of assessed value, and business property will be capped at 3 percent of assessed value.

The plan also takes the first step toward placing the caps into the Indiana Constitution. Taxpayers will get a chance to approve the caps in the November 2010 general election if lawmakers approve them again next year.

The plan includes four elements the governor said were critical last October when he introduced a comprehensive property tax plan: Immediate and significant relief; permanent protection; limits on local government spending; and improved accuracy and fairness in the assessment of property value.

The tax reform act ushers in a “new era of taxpayer protection” in Indiana, Governor Daniels said. “No longer will taxpayers be asked to adjust their tax bills to government’s appetite. Instead, government will now need to adjust its spending to what taxpayers can reasonably afford.”



From the Secretary



Indiana's entrepreneurs and small business owners are essential for our state's future prosperity and job growth.

Indiana is becoming more and more attractive as a place to start and grow a business.

Indiana has the lowest cost of doing business in the Midwest and fourth lowest in the country, according to Forbes magazine. The Tax Foundation notes that Indiana has the lowest overall tax burden in the Midwest and 12th lowest nationally. Indiana also ranked first in the Midwest and third in the nation in Site Selection magazine's Competitiveness Award, which ranks states' effectiveness in attracting new jobs and capital investment.

Under the leadership of Governor Mitch Daniels, the Indiana Economic Development Corporation is working hard to address one of the most crucial issues faced by Hoosier entrepreneurs: finding early-stage financing.

Indiana's 21st Century Research and Technology Fund, better known as the 21 Fund, is one of the most important and critical sources of early-stage capital for emerging, high-potential Indiana companies. Since January 2006, the 21 Fund has committed \$70 million to 55 innovative entrepreneurial ventures that have market-changing innovations and considerable commercial potential. The most recent projections forecast that these 21 Fund recipient companies could create 5,000 to 6,000 new, highly compensated jobs in the next five years.

Indiana also continues to help emerging technology-driven companies capitalize on federal funding opportunities through the Federal Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs. Grants from these programs can help small companies transform new technologies into commercial ventures leading to new jobs in Indiana. In 2007 alone, 47 innovative SBIR/STTR grant recipients received \$4.2 million in matching funds from the 21 Fund.

Indiana's Venture Capital Investment tax credit also provides a significant boost to early stage investors in high-potential start-up companies by providing a 20 percent state tax credit to financial investors. In 2007, 61 Indiana companies – the most ever since the program began – were approved to use the tax credit to raise \$101.5 million in private capital.

For these and many other reasons, Indiana provides the supportive economic environment entrepreneurs need to accelerate their business.

A handwritten signature in black ink, reading "Nathan J. Feltman".

Nathan J. Feltman
Secretary of Commerce

"Indiana's economic development team has an entrepreneurial spirit. It's easy to have business conversations with them. It's a business-to-business kind of conversation that gave us confidence that we've got an administration here and a general culture here that's pro-business."

Kenneth Klepper
President and Chief Operating Officer,
Medco Health Solutions Inc.

Entrepreneurial Bootcamp Attracts 400 Indiana Students

More than 400 Indiana college students met with more than 50 of Indiana's top entrepreneurs and investors and received professional feedback on their business concepts during the second-annual Indiana Collegiate Entrepreneur Bootcamp in Indianapolis.

Organized by the Indiana Economic Development Corporation and TechPoint, the day-long event gave Indiana students an opportunity to receive tips, insight and guidance on how to become the next generation of Indiana entrepreneurs. Students attending learned the art and science of creating and managing a high-growth venture. Attendees heard about business positioning, refining the "elevator pitch," and avoiding the most common business planning mistakes.

Keynote speaker for the Bootcamp was Bill Joos, owner of Go To Market Consulting, a Silicon Valley-based consulting firm that focuses on sales, marketing and business plans. Bootcamp sessions include "Entrepreneur War Stories," "Show Me the \$\$\$," and "Marketing in a New Economy."

Magazine Ranks Indiana Among Best Places to Do Business

Chief Executive magazine ranked Indiana as the best place to do business in the Midwest – and eighth nationwide – in its 2008 "Best & Worst States" survey of top business executives.

The magazine's fourth annual survey polled 605 top executives in early 2008 who listed Indiana as the best place in the Midwest for business. Indiana's ranking of eighth on the survey far outpaced neighboring Midwestern states. In the last three years, Indiana has climbed from 14th position to the current eighth, the highest placement ever for the state.

Among other Midwestern states, Kentucky scored a 26th place listing, Ohio placed 34th, Illinois 43rd, and Michigan 49th. Participating executives evaluated states on a broad range of issues, including proximity to resources, regulation, tax policies, education, quality of living, and infrastructure.

Events

The most recent and upcoming business development events and activities involving the Indiana Economic Development Corporation:

February 12–14	Dallas Business Development Trip
March 5	Indiana University Business Conference
March 20	Indiana Collegiate Entrepreneur Bootcamp
March 30–April 2	Expansion Management magazine's Roundtable in the Rockies
April 19–23	Industrial Asset Management Council Spring Forum
April 24–26	Society of Industrial & Office Realtors Spring Convention
April 28–30	Indiana Bankers Association Mega Conference
April 30–May 2	New York Business Development Trip
May 4–7	CoreNet Global Summit
May 6	Purdue University Advanced Manufacturing Summit
May 9	Indiana Innovation Showcase
May 21	Motorsports Industry Association Reception
May 23	Carburetion Day Business Appreciation



Major IEDC Project Announcements, First Quarter 2008

Boone County: Medco Health Solutions Inc.

Medco Health Solutions Inc. broke ground on its \$140 million automated pharmacy – the largest and most advanced in the world – and also announced it will locate a world-class research center in the Whitestown facility. The mail-order pharmacy is expected to start operating early in 2009 and will employ 1,300 workers, including pharmacists, researchers, pharmacy technicians, engineering technicians and managers when it reaches peak capacity in 2012. The new research center will feature active collaborations between Medco and Indiana universities and colleges of pharmacy to investigate how to deliver more precise pharmacy care through innovations in personalized medicine.

Boone County: Amazon.com Inc.

Global online retailer Amazon.com Inc. will open a new automated fulfillment center in Whitestown, creating more than 1,200 new jobs by 2010 and enabling the company to serve its customers in the Midwest more efficiently. Amazon will begin equipping its new Indiana facility in April and plans to begin hiring dozens of managers and several hundred warehouse associates ahead of the facility's opening in late summer 2008. The company also plans to hire up to 1,700 temporary associates during peak seasons to meet demands for its products.

Marion County: Defender Direct

The technology distributor and service provider company plans to expand its Indiana operations and create more than 1,100 new jobs, including at least 300 jobs at its international headquarters in Indianapolis. The company, which distributes and provides products and customer service support services for ADT, GE Security and Dish Network, will invest more than

\$15 million in Indiana. The company has not yet determined if the balance of the new jobs will come to one or more of the company's current locations in Indianapolis, Greensburg and Sunman or a different Indiana site.

Bartholomew County: Cummins Inc.

Cummins will add approximately 500 professional employees to its workforce during the next two years and has agreed to lease an office building being built as part of a downtown Columbus redevelopment project to meet the expected growth. The four-story, 100,000-square-foot building is scheduled to be completed in early 2009. The project also includes a parking garage for Cummins employees to be built on property just southwest of the office building.

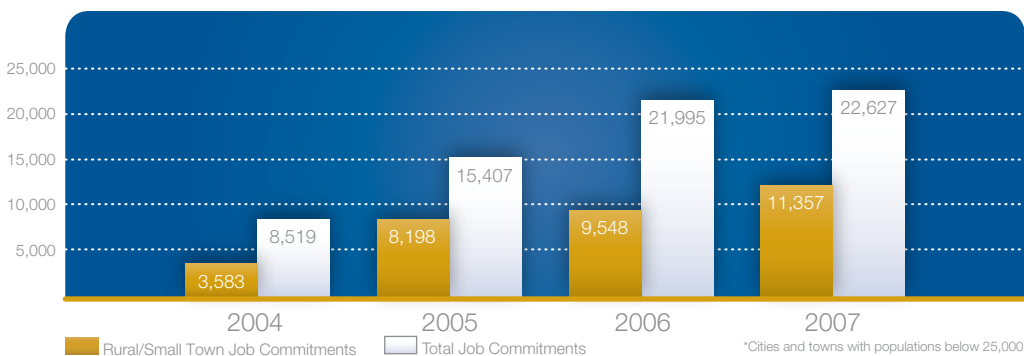
Newton County: Allied Waste Industries Inc.

The nation's second largest waste services company will establish a new regional customer and financial support center in Morocco, creating more than 350 new jobs by 2014. The centralized support center will provide services to customers in 17 states.

Tippecanoe County: MED Institute

The biotechnology development company opened a new expanded research and development center, which is expected to employ more than 250 by 2011. MED Institute, the product development subsidiary of Bloomington-based Cook Medical, works to identify and develop new medical product concepts. MED Institute currently employs about 175 professionals in West Lafayette who work with Cook companies around the world to design and implement clinical trials, conduct product development testing and secure patents and other intellectual property rights in the United States and around the world.

Job Commitments: Approximately one-half of new jobs are coming to small towns.*



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